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## **Consumer Price Index, Cincinnati-Hamilton — Second Half 2016**

### **Local prices up 1.9 percent over the year**

The Consumer Price Index for All Urban Consumers (CPI-U) in the Cincinnati-Hamilton area increased 1.9 percent from the second half of 2015 to the second half of 2016, the U.S. Bureau of Labor Statistics reported today. Assistant Commissioner for Regional Operations Charlene Peiffer noted that the all items less food and energy index was 2.6 percent higher compared to its second half 2015 level as price increases were noted in the categories for shelter and medical care. Food prices were 0.6 percent lower over the year while the index for energy increased 0.9 percent. (See [chart 1.](#))

#### **Food**

The 0.6-percent decline in food prices over the year was attributed to a 2.7-percent decrease in food at home (grocery) prices. Costs for food eaten away from home (restaurant, cafeteria, and vending purchases), on the other hand, were up 2.3 percent compared to their year ago levels. In the previous annual period (second half 2014 to second half 2015), food prices were up 0.7 percent in the Cincinnati area.

#### **Energy**

Costs for electricity rose 6.3 percent and utility (piped) gas service costs were up 0.6 percent from their second half 2015 levels, contributing to the 0.9-percent increase in energy prices over the year. Gasoline prices, on the other hand, were down 4.2 percent compared to their second half 2015 levels. In the previous annual period, energy costs had fallen 12.4 percent.

#### **All items less food and energy**

The 2.6- percent over-the-year increase in the all items less food and energy index was primarily due to a 2.4-percent gain in shelter costs and a 7.7-percent increase in medical care prices. Recreation (4.8 percent) and apparel (7.0 percent) also contributed to the rise in the aggregate all items less food and energy index.

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**The first half 2017 Consumer Price Index for Cincinnati-Hamilton is scheduled to be released Friday, July 14, 2017.**

## Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 6,000 housing units and approximately 24,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at [www.bls.gov/cpi](http://www.bls.gov/cpi) and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at [www.bls.gov/opub/hom/pdf/homch17.pdf](http://www.bls.gov/opub/hom/pdf/homch17.pdf).

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **Note: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The **Cincinnati-Hamilton, Ohio-Ky.-Ind.** consolidated area covered in this release is comprised of Dearborn and Ohio Counties in Indiana; Boone, Campbell, Gallatin, Grant, Kenton, and Pendleton Counties in Kentucky; and Brown, Butler, Clermont, Hamilton and Warren Counties in Ohio.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

**Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes for semiannual averages and percent changes for selected periods Cincinnati-Hamilton, OH-KY-IN (1982-84=100 unless otherwise noted)**

Item and Group	Semiannual average indexes			Percent change to 2nd half 2016 from-	
	2nd half 2015	1st half 2016	2nd half 2016	2nd half 2015	1st half 2016
<b>Expenditure category</b>					
All items .....	223.768	224.871	227.927	1.9	1.4
All items (1967=100) .....	692.387	695.799	705.255	-	-
Food and beverages .....	220.788	220.140	219.781	-0.5	-0.2
Food .....	217.530	216.751	216.196	-0.6	-0.3
Food at home .....	212.216	209.126	206.539	-2.7	-1.2
Food away from home .....	228.976	231.605	234.263	2.3	1.1
Alcoholic beverages .....	246.798	247.588	249.569	1.1	0.8
Housing .....	207.636	209.499	212.323	2.3	1.3
Shelter .....	238.064	239.862	243.841	2.4	1.7
Rent of primary residence(1) .....	242.803	244.768	249.311	2.7	1.9
Owners' equiv. rent of residences(1)(2) .....	238.344	240.588	245.297	2.9	2.0
Owners' equiv. rent of primary residence(1)(2) .....	238.344	240.588	245.297	2.9	2.0
Fuels and utilities .....	223.026	225.311	231.635	3.9	2.8
Household energy .....	183.822	186.475	192.717	4.8	3.3
Energy services(1) .....	189.554	192.795	199.184	5.1	3.3
Electricity(1) .....	193.153	199.454	205.313	6.3	2.9
Utility (piped) gas service(1) .....	171.219	164.191	172.189	0.6	4.9
Household furnishings and operations .....	114.913	117.333	115.082	0.1	-1.9
Apparel .....	141.160	144.038	151.042	7.0	4.9
Transportation .....	199.744	197.109	198.321	-0.7	0.6
Private transportation .....	196.559	193.666	195.197	-0.7	0.8
Motor fuel .....	225.326	199.362	215.459	-4.4	8.1
Gasoline (all types) .....	224.337	198.855	214.872	-4.2	8.1
Gasoline, unleaded regular(3) .....	229.042	202.113	218.077	-4.8	7.9
Gasoline, unleaded midgrade(3)(4) .....	222.655	201.443	219.556	-1.4	9.0
Gasoline, unleaded premium(3) .....	207.829	192.189	210.113	1.1	9.3
Medical care .....	471.922	491.865	508.081	7.7	3.3
Recreation(5) .....	126.369	128.820	132.442	4.8	2.8
Education and communication(5) .....	130.372	128.352	129.374	-0.8	0.8
Other goods and services .....	492.263	492.706	498.211	1.2	1.1
<b>Commodity and service group</b>					
All items .....	223.768	224.871	227.927	1.9	1.4
Commodities .....	175.740	175.107	176.784	0.6	1.0
Commodities less food & beverages .....	152.388	151.830	154.320	1.3	1.6
Nondurables less food & beverages .....	187.769	185.716	194.868	3.8	4.9
Durables .....	118.340	119.028	116.238	-1.8	-2.3
Services .....	274.938	277.669	282.204	2.6	1.6
<b>Special aggregate indexes</b>					
All items less medical care .....	212.346	212.581	215.034	1.3	1.2
All items less shelter .....	220.240	221.073	223.792	1.6	1.2
Commodities less food .....	156.115	155.549	158.032	1.2	1.6
Nondurables .....	205.375	203.887	208.471	1.5	2.2
Nondurables less food .....	192.761	190.707	199.400	3.4	4.6
Services less rent of shelter(2) .....	325.637	329.545	334.462	2.7	1.5
Services less medical care services .....	257.779	260.135	264.203	2.5	1.6
Energy .....	203.850	194.644	205.585	0.9	5.6
All items less energy .....	228.585	230.987	233.397	2.1	1.0

Note: See footnotes at end of table.

**Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes for semiannual averages and percent changes for selected periods Cincinnati-Hamilton, OH-KY-IN (1982-84=100 unless otherwise noted) - Continued**

Item and Group	Semiannual average indexes			Percent change to 2nd half 2016 from-	
	2nd half 2015	1st half 2016	2nd half 2016	2nd half 2015	1st half 2016
All items less food and energy .....	232.015	235.036	238.029	2.6	1.3

Footnotes(1) This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

(2) Index is on a November 1982=100 base.

(3) Special index based on a substantially smaller sample.

(4) Indexes on a December 1993=100 base.

(5) Indexes on a December 1997=100 base.

- Data not available.

Note: Data not seasonally adjusted.